

## **GeCoPolitics: the Geopolitics of globalization**

Syllabus of a course for the Haifa International MBA in 2020-21

Class: Petunia

Course name: **GeCoPolitics for business** (Course 209.4886)

Lecturer: Associate Professor Chalom Schirman (with guest lecturers)

Contact hours: on appointment

Email: [chalomabrod@hotmail.com](mailto:chalomabrod@hotmail.com)

**Please note that this course is planned to be taught via ZOOM.**

**All students are required to connect to the ZOOM site 10 minutes prior to each session and camera should remain switched on throughout the lectures**

### **Why this Course?**

Students in business administration and experienced businessmen alike need to understand the overall background in which they are going to work for the next decades.

There is a need for a synthetical point of view which puts specialized expertise and skills into the correct perspective. This synthetical view is provided by *GeCoPolitics*

The term ***GeCoPolitics*** - combining geo-Politics and geo-Economics - was coined as a result of the need to recognize, measure and face the combined effect of the geographical, economic and political factors in the globalized business world.

Indeed, in a world that is at once open, digital and complex, where the balance of power always seems more precarious, it is imperative for businesses and businesspeople to seek to hedge geopolitical risks and to seize opportunities.

Thus, the new discipline of ***GeCoPolitics*** will provide a comprehensive framework for understanding the increasingly chaotic and complex state of international relations and the concomitant past acceleration (or future deceleration?) of the globalization process. It incorporates the risks and opportunities engendered, on the one hand, by traditional geopolitics and, on the other hand, by new actors and factors inherent to the extension (or future contraction?) of globalization.

## Learning Outcomes

This introductory course is intended to empower students to have a better understanding of the present process of globalization, from a geopolitical and geo-economic perspective, its possible futures and its effects on business.

As such, it will focus on the GeCoPolitical global order's shift to the East: mostly China, but also other countries in South and South-East Asia.

By the end of the course, students are expected to

- Have a general broad view, perception and understanding of the relative weight of contending forces on the current world stage and of the geographical/historical constraints impacting the actions of decision-makers in international business.
- Be able to properly evaluate the issues relevant to contemporary international economic, commercial and financial relations and the geopolitical risks for business.
- Have acquired a basic understanding of the methodology in GeCoPolitics (GCP) and be able to use the GCP model and the GCP tools that are presented.

The course is divided into four parts, each part presenting the methodology of the discipline and raising key questions:

### Part 1: From the GP paradigm to Geoeconomics; GCP: the geopolitics of globalization

- The paradigm: TPS (Territory, Power and Security)
- Does globalization challenge the paradigm and how
- From GP to Geoeconomics (Edward Luttwak's article)
- The GeCoPolitics (GCP) Model
- Contemporary issues in GCP: illustrations and exercises

### Part 2: GCP instruments; Tools for GCP analysis

- Political, economic and ideological warfare: the instruments
- Tool 1: GCP profile building
- Tool 2: Three level analysis
- Tool 3: Scenario building

### Part 3: GCP risks and opportunities

- What are GCP risks (obsolescing bargaining model; mitigating risks; seizing opportunities)
- East Mediterranean conflicts
- US-CN decoupling? (Israel between US and CN)
- Is the EU a GCP entity?

## Part 4: Major global issues for the future of the economy

### 4.1. Old and new economic world order (Lecturer: Henry Ruff- **Attention: this lecture will be given on a different day**)

#### A. Dysfunctions of the existing world economic order

- Capitalism and the concentration of Corporate power
- The unequal distribution of personal Wealth
- From the "Great Lockdown" to the "Great Reset" (WEF, Davos 2021)

#### B. Towards the creation of a new world economic order

- Business goals (Shareholders versus Stakeholders)
- A conceptual paradigm for Post-savage-Capitalism

### 4.2 Environment, Health, Transportation (Lecturer TBC)

#### C. Global threats, problems and solutions

- Environmental vulnerability: Air, Water, and soil pollution
- Global Climate change, consequences and costs
- Restructuring the Energy industry: from Fossil Fuels to Renewable Energy

#### D. Quality of Life in a Post-Covid-19 world

- Quality of Life: Definitions and Re-definitions
- Pandemics, healthcare systems and medicine
- Traffic congestion and the future of road transport

### 4.3 GCP and societal impact of social media and Industrial Revolution. 4.0 (Lecturer TBC)

- Surveillance capitalism as a mutation of capitalism
- Data mining and control via AI algorithms
- Social Media and the commercial exploitation of personal data
- Manipulation of users' behavior and attitudes: psychological, societal and ethical issues
- Data ownership, Fake News and the disappearing concept of "Truth"
- The manipulation of society and political polarization
- Toward Digital Totalitarianism

## Teaching Method

Readings reports; Lectures, (including by international guest lecturers); exercises, map reading and analysis of case studies; guided personal or team work on case studies.

## Assessment

1. Readings Reports and Exercises (50% of final grade).
2. Final Paper (in teams of 3 students - 50% of final grade)

## Required Readings (Manual, articles, cases)

- The Course Manual
- The reference books for the course are:
  - Henry Kissinger, *On China*, Penguin Books, 2012
  - Henry Kissinger, *World order*, Penguin Books, 2015
- **Other material posted on Moodle that needs to be prepared according to the course schedule.**

## Outline of the Course

### Introduction: GeCoPolitics (GCP) or Geopolitics?

- Geopolitics: traditional GP and globalization
- What is globalization
- The shift to the East: China as a contender of hegemony
- New actors and new factors in GP:
  - End of state power?
  - Irrelevance of territories?
- Recent examples of GCP issues and their impact on business entities
- Why GCP matters to leaders of business and organizations

### Part one: The traditional geopolitical paradigm

- The T.P.S. paradigm:
  - Is an a-polar world (without hegemons) possible?
  - The role of enforcement in GCP: is world governance possible?
  - The persistent role of territory in security and development
  - The role of international norms
- Does globalization modify the world/regional distribution of power?
  - Have boundaries/borders disappeared?
  - New territorial world order: consequences of the emergence and rise of China; global supply chains and “decoupling”; Thucydides Trap.

- Weakening or even irrelevance of State sovereignty? The coronavirus crisis lessons.
- Privatization of sovereign rights: Money (bitcoins); Defense (private armies); Foreign Affairs (pirate diplomats)
- Emergence of new actors in GCP
- Are territories and borders still relevant? (the so-called deterritorialization of power)
  - Westphalian system vs. World governance
  - Migrations as a GCP issue
  - Failed States
- Who are the new geopolitical actors and what is their power? (MNC; “Financial markets”; NGOs; Supranational Authorities; International Organizations)

### **Part two: Integrating GP and globalization: GeCoPolitics (GCP)**

- Geopolitics and Geo-Economics
  - Geopolitics Versus Geo-economics?
  - GCP Instruments
- The GCP model
- Illustrations of the relevance of GCP for public and private organizations
  - Washington Consensus; Beijing Consensus
  - British Petroleum and the Gulf of Mexico crisis; the 5G war; extraterritorial application of US laws
  - Sanctions and Corruption issues in international affairs and trade

### **Part three: GCP analytical tools**

- A. GCP profile (national GCP profile)
  - Illustration: China, Russia, Turkey
  - Exercises
- B. Three levels analysis (national, regional and global)
  - Illustrations: Syria, China, Israel.
  - Exercises
- C. GCP Risks and opportunities analysis
  - What are GCP risks and how can they be mitigated

- Types of GCP risks (security, market, investment, regulatory, sovereign)
- The Obsolescing Bargain Model
- D. Scenario building
  - Long view; Outside-in thinking
  - Cross-issues scenarios (multiple perspectives)
  - Illustrations and Exercises

## **Part four: Post-corona geo-economic issues**

### **4.1 Old and New WEO (lecturer: Henri Ruff)**

With the pressures exerted on the world's economy by the current pandemic, both the need for and the opportunity to re-examine the **World Economic Order [WEO]** has never been greater.

The aim of this session is to encourage a greater grasp of the more fundamental economic forces and trends and their possible influences on the shape of economies in the short- and medium-term future. We need first to examine the extent to which capitalism as the existing WEO can be regarded as dysfunctional. Then we consider which economic forces and trends, existing or new, can shape a new WEO that would represent an improvement.

Is it meaningful to talk about an Economic Order, and can it be labelled as 'worldwide'? If so, what are its main characteristics both in theory and in practice? In which ways can the current WEO justifiably be deemed dysfunctional? What is new and what is not?

Two techniques (Scenario analysis and Blue-sky thinking) can be useful in identifying a selection of new WEOs which will be outlined and explained.

### **4.2 and 4.3**

To be completed by the Guest lecturers

## **Sessions Breakdown**

Session	Required PRE-readings	Content of session
1 October 23, 2020	1) GCP Handbook: Preface <b>Geopolitics</b> <b>101; pages 4 to 14</b> 2) Get acquainted with the content of the Handbook	GP, Globalization and GCP The GP paradigm: TPS (Territory, Power, Security) • <b><u>Territory</u></b>



	<ol style="list-style-type: none"> <li>3) The world explained in maps (Friedman GPF)</li> <li>4) Towards an a-polar world (Kaplan)</li> <li>5) Relevance of Westphalian system</li> <li>6) Us and Them</li> <li>7) New illustration of Us and Them</li> <li>8) Fall of globalization</li> <li>9) Why globalization stalled</li> </ol>	<ul style="list-style-type: none"> <li>• <b>Power:</b> sovereignty; Westphalian Order; Hegemony; norms</li> <li>• Crazy States and Failed States</li> <li>• GP in 19<sup>th</sup> and 21<sup>st</sup> centuries</li> <li>• <b>Security</b></li> <li>• Rise of transnational threats</li> </ul> <p><b>Does Globalization challenge the paradigm?</b></p> <ul style="list-style-type: none"> <li>• Does it create a borderless world?</li> <li>• World governance?</li> </ul>
2 October 30, 2020	<ol style="list-style-type: none"> <li>1. Luttwak's <i>From GP to Geoeconomics</i></li> <li>2. GP Vs globalization (Streusand)</li> <li>3. State-Corp Neg Interaction</li> <li>4. GP and Geo-economic Instruments</li> <li>5. Vulnerability to trade</li> <li>6. Economic sanctions warfare</li> <li>7. Arsenal of US sanctions</li> <li>8. Tech wars</li> <li>9. ZTE, Geo-eco instrument</li> </ol>	<p><b>From GP to Geoeconomics?</b></p> <ul style="list-style-type: none"> <li>• Luttwak's article</li> <li>• Streusand on GP and Globalization</li> <li>• GCP model</li> </ul> <p><b>GCP Instruments</b></p>
3 November 6, 2020	<p>Listen to Kissinger and Allison: <a href="https://www.youtube.com/watch?v=IKI6M2UicGk">https://www.youtube.com/watch?v=IKI6M2UicGk</a></p> <ol style="list-style-type: none"> <li>1. Is Europe doomed not to be a power?</li> <li>2. The Euro crisis and European citizenship</li> <li>3. Recognition: China's Long March to Global Integration (Shichor)</li> <li>4. East Mediterranean conflict</li> <li>5. Two articles on "decoupling"</li> </ol>	<p>GCP analytical tools 1- <b>Profile building</b> GCP analytical Tools 2- <b>Three level analysis</b></p> <p>Is the EU a GCP Power? CN GeCoPolitics</p>
4 November 13, 2020	<ol style="list-style-type: none"> <li>1. What if scenarios</li> <li>2. Scenario planning and strategic forecasting (Ogilvy)</li> <li>3. Israel amidst US-CN confrontation</li> <li>4. IL-CN-US scenarios (PPT)</li> </ol>	<p>GCP analytical Tools 3 – <b>Scenario building</b></p>
5	<ol style="list-style-type: none"> <li>1. Atlantic Council report 2020</li> <li>2. WEF global risks report 2020</li> </ol>	<p>GCP analytical Tools 4 -<b>Risks and Opportunities</b></p>

November 20, 2020	3. Top ten risks 4. Risks of AI for corporations (McKinsey) 5. Lafarge scandal 6. Daewoo-Madagascar land grab	<ul style="list-style-type: none"> <li>What are risks</li> <li>What are GCP risks</li> <li>Obsolescing bargaining model</li> </ul> Managing
6 November 26, 2020 (TBC)	Post-capitalism (Van Leer Institute) Other articles will be posted on Moodle	Old and New World economic Order (TBC <sup>1</sup> )
7 December 4, 2020	Climate risks and response (McKinsey Report)	GCP and Environment, Health, Energy, transportation issues (TBC)
8 December 11, 2020	Surveillance capitalism Other articles will be posted on Moodle	GCP and societal impact of social media and Industrial Revolution. 4.0 (TBC)

## Sample of References/Readings (In the Handbook or in Moodle)

1. Atlantic Council, Geopolitical shocks and risks, 2020
2. Avdaliani Emil, How to Save the Failing World Order?, in *BESA Center Perspectives Papers*, February 19, 2020, available at <https://besacenter.org/perspectives-papers/failing-world-order/>
3. Friedman George, The world explained in maps, in *Geopolitical Futures*, 2017
4. GBN, What if, the art of scenario thinking, 2004
5. GPF Staff, Forecast Tracker: 2019 year-end review, December 31, 2019, in *Geopolitical Futures*, January 1, 2020, available at <https://geopoliticalfutures.com/forecast-tracker-2019-year-end-review/>
6. **GPF Staff *Geopolitics 101*, Geopolitical Futures, 2017**

<sup>1</sup> To be completed/confirmed



7. GPF staff, Toward a new understanding of world trade, in *Geopolitical Futures*, July 2, 2018
8. Group authored, Belt and Road initiative explained: how china is looking beyond borders, in *South China Morning Post*, April 26, 2019, available at <https://multimedia.scmp.com/news/china/article/3007692/belt-and-road/index.html>
9. HU Fred and Spence Michael, Why globalization stalled, in *Foreign Affairs*, July/August 2017
10. Kaplan Robert, Towards an a-polar anarchic world?, in *www.stratfor.com*, January, 13, 2014
11. Keller Rebecca, Fall of globalization; the rise of new manufacturing forces, in *www.stratfor.com*, June 7, 2016
12. Lim Darren and Ferguson Victor, Huawei and the US-China supply chain wars: the contradictions of a decoupling strategy, in *War on the Rocks*, May 30, 2019, available at <https://warontherocks.com/2019/05/huawei-and-the-u-s-china-supply-chain-wars-the-contradictions-of-a-decoupling-strategy/>
13. Luttwak Edward N., From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce, in *The National Interest*, No. 20 (Summer 1990), pp. 17-23
14. Mahbubani Kishore, What happens when China becomes number one, lecture at the National University of Singapore, available at <https://www.youtube.com/watch?v=bVklQc3p0Og>
15. Merics Mapping the Belt and Road initiative: this is where we stand ; <https://www.merics.org/en/bri-tracker/mapping-the-belt-and-road-i...>
16. Mozur Paul and Zhong Raymond , In About-Face on Trade, Trump Vows to Protect ZTE Jobs in China, in *The NYT*, May 13, 2018 (available at <https://www.nytimes.com/by/paul-mozur>)
17. Muller Jerry Z., Us and Them, the enduring power of ethnic nationalism, in *Foreign Affairs*, March/April 2008
18. Orchard Phillip, Assessing the Economic Effects of the Coronavirus, in *Geopolitical Futures*, February 11, 2020
19. Rudd Kevin, US-China decoupling is more rhetoric than fact -- for now, Technology barriers are going up, but economic relationship is deep and complex in *Nikkei Asian Review*, December 12, 2019
20. Safonova Sasha, Relevance of the Westphalian System to the Modern World, in *articlemyriad.com* ([www.articlemyriad.com/relevance-westphalian-system-modern-world-sasha-safonova/relevance-westphalian-system-modern-world-sasha-safonova/](http://www.articlemyriad.com/relevance-westphalian-system-modern-world-sasha-safonova/relevance-westphalian-system-modern-world-sasha-safonova/))

21. Shapiro Jacob, America Seethes and the World Watches , in *Perch Perspectives*, April 6, 2020, available at <https://mailchi.mp/efe009983048/america-seethes-and-the-world-watches?e=5e021bf0ad>
22. Shichor Yitzhak, Recognition: China's Long March to Global Integration, in *China Report* 56:2 (2020), pages 1-15, Sage
23. Shore Cris, The euro crisis and European citizenship in Anthropology Today 28(2), April 2012
24. Stratfor staff, The limits of sovereignty in a globalized world, in *www.stratfor.com*, November 11, 2016
25. Streusand Douglas E., Geopolitics versus globalization, in Tangredi Sam J., Ed., *Globalization and maritime power*, National Defense University Press, Washington, D.C., 2002.
26. WEF staff, *Shaping a Multiconceptual World 2020*, Special Report, World Economic Forum
27. WEF staff, *Global risks report*, World Economic Forum 2020
28. Zakaria Fareed, The New China Scare; Why America Shouldn't Panic About Its Latest Challenger in Foreign Affairs, Friday, December 6, 2019

## Course lecturer: Chalom Schirman

Chalom Schirman is the Head of the International MBA at the University of Haifa. He is Associate Professor at the School of Business Administration (University of Haifa) and at *Tongji University* in Shanghai. He is a regular visiting lecturer in several universities in China.

Previously he has been Associate Professor at the Graduate School of International Management of the *Ecole Nationale des Ponts et Chaussées* (ENPC), Paris from 1995 to 2010 and International Dean of **SIMBA** (Shanghai International MBA), a joint venture between the ENPC-MBA and the School of Economics and Management of Tongji University he created and headed in Shanghai (1999-2010). From 2012 to 2015 he was the Director of Tongji International Executive Development Program in Shanghai.

Chalom Schirman has been teaching ***International Business Negotiation*** and ***GeCoPolitics, the geopolitics of globalization*** in several MBA Programs in Paris, Casablanca, Shanghai, Haifa, Edinburgh, Tokyo, Delhi, Buenos Aires. He has been/is also in charge of the ***Shanghai Study Trip***.

In parallel, he has been an International Consultant in strategy, international partnerships, trade agreements and Negotiation as well as a Founding Partner & Associate of *Négociateurs Associés* - Paris, a training and consulting firm in Negotiation Techniques and Management.

Prior to 1991, Chalom Schirman had been, for 17 years, an Israeli diplomat, first in charge of the Division of International Economic Intelligence in Jerusalem, later as Counselor for Economic Affairs, Embassy of Israel, Paris and as the Israeli Representative at the Club de Paris and, later, Consul General of Israel in Montreal (1986-1990).

Born in Belgium, he graduated in Economics and International Relations from the *Université Libre de Bruxelles* (1967) and *Harvard University* (1969), was trained in 1986 at the *Harvard Salzburg Seminar* by Prof R. Fisher and H. Raiffa and later at the PON Trainers' Program (Cambridge, MA), is an ENPC-MBA Alumnus (class of 91), was President of the ENPC- MBA Alumni Association (95-97) and a member of the Harvard Clubs of France, Shanghai and Israel. He lived and worked in China from 2012 to 2015.

He has co-authored a book titled *Business Negotiations Strategy* published (in Chinese) in Beijing (2005) and has written several articles and case studies on Negotiation Techniques as well as a Monograph on *The impact of the Arab boycott* (Shiloach Institute of Tel Aviv University, 1972) and *A Guidebook on International Economic Relations for diplomats* (MFA, Jerusalem, 1986).